



**Harris & Associates<sup>SM</sup>**

**SHAPING THE FUTURE ONE PROJECT AT A TIME<sup>SM</sup>**

# **Preliminary Engineer's Report**

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for

## **Eucalyptus Hill Road Underground Utility Assessment District**

**Prepared under the provisions of the  
Municipal Improvement Act of 1913**

For the

**City of Santa Barbara**  
County of Santa Barbara, California

July 1, 2010

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**AGENCY: CITY OF SANTA BARBARA**

**PROJECT: EUCALYPTUS HILL ROAD UNDERGROUND UTILITY ASSESSMENT DISTRICT**

**TO: CITY COUNCIL**

**ENGINEER'S "REPORT" PURSUANT TO THE  
PROVISIONS OF SECTIONS 2961 AND 10204  
OF THE STREETS AND HIGHWAYS CODE**

The purposes of this Assessment District is to provide financing to underground power, telephone and cable facilities in the area generally described as Eucalyptus Hill Road Underground Utility District, which includes the utilities in and connected to Eucalyptus Hill Road, from Parker pass Road to west of Coronado Circle, and Alston Road, from Eucalyptus Hill Road to Alston Place. The proposed underground utility improvements will provide conversion to an upgraded utility system and will enhance neighborhood aesthetics, improve emergency ingress and egress, and provide new and upgraded facilities.

The construction of these improvements will conform to existing City of Santa Barbara, Southern California Edison, Verizon and Cox Communication standards. By virtue of such improvements, the proposed improvements are of special and direct benefit to these properties.

Pursuant to the provisions of Article XIIIID of the State Constitution, Part 7.5 of the "Special Assessment Investigation, Limitation and Majority Protest Act of 1931", being Division 4 of the Streets and Highways Code of the State of California, and the "Municipal Improvement Act of 1913", being Division 12 of said Code, and the Resolution of Intention, adopted by the City Council of the CITY OF SANTA BARBARA, State of California, in connection with the proceedings for Eucalyptus Hill Road Underground Utility Assessment District (hereinafter referred to as the "Assessment District"), I, Joan E. Cox, P.E., a Registered Professional Engineer and authorized representative of Harris & Associates, the duly appointed Engineer of Work, herewith submits the "Report" for the Assessment District, consisting of six (6) parts as stated below.

**PART I**

This part contains the plans and specifications which describe the general nature, location and extent for the proposed improvements to be constructed, and are filed herewith and made a part hereof. Said plans and specifications are on file in the Engineering Division of the Public Works Department.

**PART II**

This part contains an estimate of the cost of the proposed improvements, including capitalized interest, if any, incidental costs and expenses in connection therewith as set forth herein and attached hereto.

**PART III**

This part consists of the following information:

- A. A proposed assessment of the total amount of the costs and expenses of the proposed improvements upon the several subdivisions of land within the Assessment District, in proportion to the special benefits to be received by such subdivisions from said improvements, which is set forth upon the assessment roll filed herewith and made a part hereof.
- B. The total amount, as near as may be determined, of the total principal sum of all unpaid special assessments and special assessments required or proposed to be levied under any completed or pending assessment proceedings, other than that contemplated for the Assessment District, which would require an investigation and report under the "Special Assessment Investigation, Limitation and Majority Protest Act of 1931" against the total area proposed to be assessed.
- C. The total true value, determined from the latest Assessor's roll, of the parcels of land and improvements which are proposed to be assessed.

#### PART IV

This part contains the proposed maximum annual administrative assessment to be levied upon each subdivision or parcel of land within the Assessment District to pay the costs incurred by the CITY OF SANTA BARBARA, and not otherwise reimbursed, resulting from the administration and collection of assessments, from the administration and registration of any associated bonds and reserve or other related funds, or both.

#### PART V

This part contains a map showing the boundaries of the Assessment District, and a diagram showing the Assessment District, the boundaries and the dimensions of the subdivisions of land within said Assessment District, as the same existed at the time of the passage of the Resolution of Intention. The Boundary Map and Assessment Diagram are filed herewith and made a part hereof, and part of the assessment.

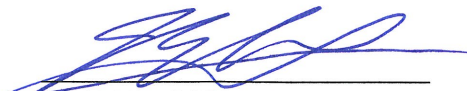
#### PART VI

This part shall consist of the following information:

- A. Description of facilities
- B. Right-of-Way Certificate
- C. Environmental Certificate

This report is submitted on July 1, 2010.

HARRIS & ASSOCIATES



JOAN E. COX, P.E.  
R.C.E. No. 41965  
ENGINEER OF WORK  
CITY OF SANTA BARBARA  
STATE OF CALIFORNIA

Preliminary approval by the CITY COUNCIL of the CITY OF SANTA BARBARA, CALIFORNIA, on the \_\_\_\_ day of \_\_\_\_\_, 2010.

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CITY CLERK  
CITY OF SANTA BARBARA  
STATE OF CALIFORNIA

Final approval by the CITY COUNCIL of the CITY OF SANTA BARBARA, CALIFORNIA, on the \_\_\_\_ day of \_\_\_\_\_, 2010.

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CITY CLERK  
CITY OF SANTA BARBARA  
STATE OF CALIFORNIA

## Part I Plans and Specifications

The plans and specifications to construct the utility undergrounding improvements, and any ancillary improvements thereof, for the area generally described as Eucalyptus Hill Road Underground Utility Assessment District, which includes Eucalyptus Hill Road, from Barker Pass Road to west of Coronado Circle, and Alston Road, from Eucalyptus Hill Road to Alston Place, describe the general nature, location and extent of the improvements for this Assessment District are referenced herein and incorporated as if attached and a part of this Report.

Said Plans and Specifications for the improvements are on file in the office of the Engineering Division of the Public Works Department.

## Part II Cost Estimate

	Estimated Costs	
	Preliminary	Confirmed
<b>DESIGN COSTS</b>		
Southern California Edison	\$10,000	
Verizon Communications	\$2,000	
Cox Communications	\$1,000	
Survey	\$11,693	
Environmental Review	\$378	
Phase 1 Archeological Report	\$4,590	
Utility Design Credit	-\$13,000	
<b>Subtotal</b>	<b>\$16,661</b>	
<b>CONSTRUCTION COSTS</b>		
Southern California Edison (Cable)	\$311,513	
Verizon Communications (Cable)	\$134,110	
Cox Communications (Cable)	\$25,040	
Civil Work (Conduit & Structures)	\$491,965	
Construction Contingency (10%)	\$49,197	
Construction Management & Inspection (10%)	\$55,000	
<b>Subtotal</b>	<b>\$1,066,825</b>	
<b>Total Design and Construction Costs</b>	<b>\$1,083,486</b>	
Estimated Utility Contribution for Equivalent Overhead System	-\$71,286	
<b>Balance of Design and Construction Costs</b>	<b>\$1,012,200</b>	
<b>ADMINISTRATIVE/INCIDENTAL EXPENSES</b>		
Assessment Engineering	\$31,500	
Establishment Costs	\$12,400	
Facilities Management Specialist (Project Coordination)	\$15,000	
Steve Friesen Utility Consultant	\$2,000	
City Administration	\$15,000	
Bond Counsel	\$6,100	
Disclosure Counsel	\$5,095	
Paying Agent	\$615	
Dissemination Agent	\$615	
Financial Printing, Registration, and Filing Fees	\$1,020	
Financial Advisor	\$5,100	
Printing, Advertising, Notices	\$125	
Contingency	\$29,755	
<b>Subtotal</b>	<b>\$124,325</b>	
<b>FINANCING COSTS</b>		
Underwriter's Discount (1.5%)	\$20,175	
Bond Reserve (8%)	\$107,600	
Funded Interest (12 months @ 6%)	\$80,700	
<b>Subtotal</b>	<b>\$208,475</b>	
<b>TOTAL AMOUNT</b>	<b>\$1,345,000</b>	

### Part III Assessment Roll and Method of Assessment Spread

WHEREAS, on \_\_\_\_\_ the City Council of the CITY OF SANTA BARBARA, State of California, did, pursuant to the provisions of the 1913 Act "Municipal Improvement Act of 1913", being Division 12 of the Streets and Highways Code, of the State of California, adopt its Resolution of Intention No. \_\_\_\_\_, for the installation and construction of certain public improvements, together with appurtenances and appurtenant work in connection therewith, in a special assessment district known and designated as EUCALYPTUS HILL ROAD UNDERGROUND UTILITY ASSESSMENT DISTRICT (hereinafter referred to as the "Assessment District"); and

WHEREAS, said Resolution of Intention, as required by law, did direct the Engineer of Work to make and file a "Report", consisting of the following as required by Section 10204 of the Act:

- a. Plans
- b. Specifications
- c. Cost Estimates
- d. Assessment Diagram showing the Assessment District and the subdivisions of land therein;
- e. A proposed assessment of the costs and expenses of the works of improvement levied upon the parcels within the boundaries of the Assessment District;
- f. The proposed maximum annual assessment to be levied upon each subdivision or parcel of land within the Assessment District to pay the costs incurred by the City and not otherwise reimbursed resulting from the administration and collection of assessments or from the administration and registration of any associated bonds and reserve or other related funds.

For particulars, reference is made to the Resolution of Intention as previously adopted.

NOW, THEREFORE, I, Joan E. Cox, the authorized representative of HARRIS & ASSOCIATES, pursuant to Article XIID of the California Constitution and the "Municipal Improvement Act of 1913", do hereby submit the following:

1. Pursuant to the provisions of law and the Resolution of Intention, I have assessed the costs and expenses of the works of improvement to be performed in the Assessment District upon the parcels of land in the Assessment District specially benefited thereby in direct proportion and relation to the special benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram, a copy of which is attached hereto and incorporated herein.
2. As required by law, a Diagram is hereto attached, showing the Assessment District, as well as the boundaries and dimensions of the respective parcels and subdivisions of land within said District as the same existed at the time of the passage of said Resolution of Intention, each of which subdivisions of land or parcels or lots respectively have been given a separate number upon said Diagram and in said Assessment Roll.



3. The subdivisions and parcels of land the numbers therein as shown on the respective Assessment Diagram as attached hereto correspond with the numbers as appearing on the Assessment Roll as contained herein.
4. NOTICE IS HEREBY GIVEN that bonds will be issued in accordance with Division 10 of the Streets and Highways Code of the State of California (the "Improvement Bond Act of 1915"), to represent all unpaid assessments, which bonds shall be issued in one or more series, each with a term not to exceed the legal maximum term as authorized by law, THIRTY-NINE (39) YEARS from the 2nd day of September next succeeding twelve (12) months from their date. Said bonds shall bear interest at a rate not to exceed the current legal maximum rate of 12% per annum.

The bonds may be issued in more than one series, depending upon duration of the improvement work and related considerations.

5. By virtue of the authority contained in said "Municipal Improvement Act of 1913", and by further direction and order of the legislative body, I hereby recommend the following Assessment to cover the costs and expenses of the works of improvement for the Assessment District based on the costs and expenses as set forth below:

	As Preliminarily Approved	As Confirmed
Estimated Cost of Design and Construction:	\$1,012,200	
Estimated Incidental Expenses:	\$124,325	
Estimated Financial Costs:	\$208,475	
<b>Estimated Total to Assessment:</b>	<b>\$1,345,000</b>	

For particulars as to the individual assessments and their descriptions, reference is made to Table 1 (Assessment Roll) attached hereto.

6. The Method of Spread of Assessment is as set forth in the exhibit identified as Part III (Exhibit 1), which is attached hereto, referenced and so incorporated.

**Table 1**  
**Assessment Roll**

<b>Asmt No.</b>	<b>Assessor's Parcel Number</b>	<b>Total True Value*</b>	<b>Existing Liens</b>	<b>Assessments as Preliminarily Approved</b>	<b>Assessments as Confirmed and Recorded</b>	<b>Value to Lien Ratio</b>
1	15 040 024	\$572,776	\$0	\$66,302.82		9
2	15 040 025	\$555,305	\$0	\$66,302.82		8
3	15 040 026	\$173,700	\$0	\$66,302.82		3
4	15 040 027	\$690,484	\$0	\$66,302.82		10
5	15 040 028	\$1,426,701	\$0	\$66,302.82		22
6	15 040 029	\$390,345	\$0	\$75,774.66		5
7	15 040 031	\$679,752	\$0	\$28,415.49		24
8	15 040 032	\$854,052	\$0	\$28,415.49		30
9	15 040 030	\$864,350	\$0	\$75,774.66		11
10	15 040 007	\$630,894	\$0	\$66,302.82		10
11	15 040 020	\$757,808	\$0	\$56,830.99		13
12	15 040 033	\$351,763	\$0	\$37,887.32		9
13	15 040 008	\$498,904	\$0	\$47,359.15		11
14	15 040 009	\$2,064,569	\$0	\$66,302.82		31
15	15 040 010	\$166,531	\$0	\$66,302.82		3
16	15 040 011	\$1,182,340	\$0	\$66,302.82		18
17	15 040 012	\$106,524	\$0	\$47,359.15		2
18	15 040 013	\$226,366	\$0	\$28,415.49		8
19	15 340 011	\$2,097,751	\$0	\$28,415.49		74
20	15 100 021	\$564,139	\$0	\$28,415.49		20
21	15 100 019	\$1,066,027	\$0	\$37,887.32		28
22	15 100 022	\$574,625	\$0	\$18,943.66		30
23	15 100 007	\$165,740	\$0	\$18,943.66		9
24	15 100 006	\$1,515,000	\$0	\$18,943.66		80
25	15 100 005	\$827,828	\$0	\$18,943.66		44
26	15 100 004	\$735,345	\$0	\$9,471.83		78
27	15 100 001	\$819,305	\$0	\$28,415.49		29
28	15 161 050	\$512,049	\$0	\$9,471.83		54
29	15 161 052	\$1,522,149	\$0	\$37,887.32		40
30	15 161 048	\$919,151	\$0	\$28,415.49		32
31	15 161 055	\$663,988	\$0	\$9,471.83		70
32	15 161 049	\$670,139	\$0	\$18,943.66		35
33	15 161 027	\$112,192	\$0	\$9,471.83		12
		\$24,958,592	\$0	\$1,345,000.00		19

\* Total True Value is the Assessed Value per the Santa Barbara County Assessor

**Table 2**  
**Debt Limit Valuation**

A. ESTIMATED BALANCE TO ASSESSMENT	\$1,345,000
B. UNPAID SPECIAL ASSESSMENTS	\$0 *
TOTAL A & B	\$1,345,000
C. TRUE VALUE OF PARCELS	\$24,958,592 **
AVERAGE VALUE TO LIEN RATIO	19 :1

\* Unpaid Special Assessments shall consist of the total principal sum of all unpaid special assessments previously levied or proposed to be levied other than in the instant proceedings.

\*\* True Value of Parcels means the total value of the land and improvements as estimated and shown on the last equalized roll of the County or as otherwise reasonably calculated.

This report does not represent a recommendation of parcel value, economic viability or financial feasibility, as that is not the responsibility of the Assessment Engineer.

**CERTIFICATION**

I, the undersigned Assessment Engineer, do hereby certify that (i) the total amount of the principal sum of the special assessments proposed to be levied, together with the principal amount of previously levied special assessments, as set forth above, do not exceed one-half (1/2) the total true value of the parcels proposed to be assessed, and (ii) the amount proposed to be assessed upon any parcel does not exceed one-half of the true value of the parcel.

EXECUTED on July 1, 2010.

HARRIS & ASSOCIATES



JOAN E. COX, P.E.  
R.C.E. No. 41965  
ASSESSMENT ENGINEER  
CITY OF SANTA BARBARA  
COUNTY OF SANTA BARBARA,  
STATE OF CALIFORNIA

## Exhibit 1 Method and Formula of Assessment Spread

Since the improvements are to be funded by the levying of assessments, the "Municipal Improvement Act of 1913" and Article XIIIID of the State Constitution require that assessments must be based on the special benefit that the properties receive from the works of improvement. In addition, Section 4 of Article XIIIID of the State Constitution requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Section 4 provides that only special benefits are assessable and the local agency levying the assessment must separate the general benefits from the special benefits. It also provides that parcels within a district that are owned or used by any public agency, the State of California, or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. Neither the Act nor the State Constitution specifies the method or formula that should be used to apportion the costs to properties in any special assessment district proceedings.

The District was proposed by property owners who petitioned the City to form a District to underground the utility services.

The responsibility for recommending an apportionment of the costs to properties which specially benefit from the improvements rests with the Assessment Engineer, who is appointed for the purpose of making an analysis of the facts and determining the correct apportionment of the assessment obligation. In order to apportion the assessments to each parcel in direct proportion with the special benefit which it will receive from the improvements, an analysis has been completed and is used as the basis for apportioning costs to each property within the Assessment District.

Based upon an analysis of the special benefit to be received by each parcel from the construction of the works of improvement, the Assessment Engineer recommends the apportionment of costs as outlined below. The final authority and action rests with the City Council after hearing all testimony and evidence presented at a public hearing, and tabulating the assessment ballots previously mailed to all record owners of property within the Assessment District. Upon the conclusion of the public hearing, the City Council must make the final determination whether or not the assessment spread has been made in direct proportion to the special benefits received by each parcel within the Assessment District. Ballot tabulation will be done at that time and, if a majority of the returned ballots weighted by assessment amount are not in opposition to the Assessment District, the City Council may form the Assessment District.

The following sections set forth the methodology used to apportion the costs of the improvements to each parcel.

### **SPECIAL BENEFITS**

In further making the analysis, it is necessary that the properties receive a special benefit distinguished from general benefits conferred on real property located in the District or to the public at large.

The purpose of this Assessment District is to provide the financing to underground existing overhead electrical, telephone and cable facilities. These facilities are the direct source of service to most of the properties within the Assessment District.

The proposed replacement of existing overhead utility facilities (power, telephone and cable facilities) with underground facilities and removal of the existing utility poles and the overhead wires will provide a special benefit to the parcels connected to and adjacent to the facilities as follows:

- **Improved Property Access Benefit.** This special benefit relates to the enhancement of the roadway providing direct access to the property due to the removal of overhead wires and utility poles. This includes improved streetscape aesthetics (curb appeal) and improved emergency ingress and egress to properties.
- **Improved Scenic View Benefit.** This special benefit relates to a property with a primary view of the Pacific Ocean or Sierra Padre Mountains which is directly impacted by existing wires and/or poles within the view-shed so that the view will be enhanced with the removal of the wires and/or poles.
- **Additional Overhead Wire Benefit.** All parcels that have SCE utility poles and wires within or directly adjacent to them but not in a public street, which will be relocated as part of the undergrounding project, are considered to receive an additional benefit from the removal of these poles and wires.
- **Improved Connection Benefit.** All parcels that are directly connected to the utilities being underground receive this special benefit due to having all new wires and equipment and having that equipment underground.

By virtue of such special benefits, the proposed improvements will provide a higher level of service, increase the desirability of the properties and will specifically enhance the values of the properties within the Assessment District. Therefore, the proposed improvements are of direct and special benefit to these properties.

## GENERAL BENEFITS

Section 4 of Article XIID requires that the general benefits imparted by the utility undergrounding project be separated from the special benefits and that only the special benefit portion of the costs of the project be assessed against those parcels which are identified as receiving special benefits. Separating the general from the special benefits requires an examination of the facts and circumstances of the project and the property being assessed.

In this particular assessment district, the streets along which the existing overhead utility facilities are being undergrounded function as local streets. None of these roadways are designated as an arterial. Furthermore, the City has an established network of arterial streets which appear to function as intended to provide for the movement of traffic around and through the community at large without the need to utilize local streets for such purposes. Under these circumstances, any use of the streets within the assessment district as “through” streets is incidental.

The properties situated within the assessment district are zoned residential and the undergrounding is exclusively located on local streets. Under this circumstance, the impacts – both ingress-egress and visual – are largely isolated to those properties (and the persons who inhabit them) which front on these local streets, with only incidental impacts on those who visit the properties within the assessment district or who pass through the assessment district on trips originating outside the boundary and having a destination outside the boundary.

Based on these facts and circumstances, any general benefits to the property within the Assessment District in general, to the surrounding community and to the public at large from the project of undergrounding these local overhead utility facilities on the local streets, such as to the general public visiting in cars, on bikes or on foot, are incidental and do not exceed five percent (5%) of the estimated project costs.

This general benefit portion of the cost is more than offset by the seven percent (7%) utility company contribution. Therefore, \$1,029,312 of the \$1,083,486 total project design and construction costs represents the local and special benefits to the parcels within the Assessment District. Because only the net amount of \$1,012,200 is apportioned to the parcels within the District, no parcel is assessed more than its proportional share of the special benefits from the improvements.

## METHODOLOGY

Based upon the findings described above, the special benefit received by the properties within the boundaries of the Assessment District is the conversion from an overhead to an underground utility system resulting in improved streetscape aesthetics, improved emergency ingress and egress to properties, new and upgraded facilities, and enhanced scenic views to the adjacent properties.

Based on these conditions, it is our conclusion that the improvements specially benefit all assessed properties in the Assessment District.

To establish the benefit to the individual parcels within the Assessment District, the highest and best use of each property is considered. For example, a vacant property is considered developed to its highest potential and connected to the system.

All properties within this Assessment District are zoned A-2 for single family residential usage, therefore all properties are considered to have the same potential for development.

The special benefits from undergrounding the overhead utilities are segregated into four (4) distinct categories, which are discussed in more detail below. The Benefit Points for each category are added together to calculate the Total Benefit Points per property per the following formula:

$$\left[ \begin{array}{cccc} \text{Access} & & \text{Additional} & & \text{Scenic} & & \text{Connection} \\ \text{Benefit} & + & \text{Overhead} & + & \text{View} & + & \text{Benefit} \\ \text{Points} & & \text{Wires Benefit} & & \text{Benefit} & & \text{Points} \\ & & \text{Points} & & \text{Points} & & \end{array} \right] = \begin{array}{c} \text{Total} \\ \text{Benefit} \\ \text{Points} \end{array}$$

- A. Improved Property Access Benefit.** This benefit relates to the improvements to the street providing direct access to the property. This includes improved streetscape aesthetics and improved emergency ingress/egress to properties due to the removal of overhead wires and utility poles. This access benefit to properties is deemed to be the same for all properties because the increase in property desirability from the construction of the improvements is considered the same. Parcels that take direct access from a roadway with distribution facilities being underground are considered to receive special benefit from the undergrounding project. Therefore, these properties are assigned one (1) Access Benefit Point (ABP) per parcel for Improved Property Access.

- A property that has utility wires and poles along a private access way to its property, that will be underground, receives an additional access benefit and is assigned an additional half (0.5) ABP for a total of one and one-half (1.5) ABP's. This relates to Asmt No. 12.
- Parcels that take no direct access off roadways being undergrounded are deemed to receive no Improved Property Access Benefit and are assigned zero (0) ABPs. This relates to Asmt Nos. 21 – 26, 28, and 31 – 33.

**B. Additional Overhead Wires Benefit.** This benefit relates to the additional benefit of having the overhead electrical mainline distribution wires and poles placed underground within or along a property but not adjacent to a public street, which minimizes the threat of personal injury or fire which downed electrical utility lines could cause. Therefore, those properties that receive this additional benefit are assigned an additional one-half (0.5) Additional Overhead Wires Benefit Points for additional benefit for each line along or within a property that is not in a public street. This relates to Asmt Nos. 6, 9, 11, 21 – 25, 28, 29, 32 and 33.

**C. Improved Scenic View Benefit.** This benefit relates to a property with a view of the Pacific Ocean and/or Sierra Padre Mountains, one that can be seen from a major vantage point, which is directly impacted by existing wires and/or poles within the view-shed so that the scenic view will be enhanced with the removal of the wires and/or poles. Views of the Pacific Ocean or the Sierra Padre Mountains make a parcel more desirable; therefore, parcels that will have this type of enhanced view are considered to receive special benefit from the undergrounding project. Therefore, these properties are assigned one (1) View Benefit Point (VBP) per parcel for Improved Scenic View. This relates to Asmt Nos. 11, 13 and 17.

A property with a panoramic view that includes the Pacific Ocean or the Sierra Padre Mountains, which is directly impacted by existing wires and/or poles within the view-shed so that the panoramic view will be enhanced with the removal of the wires and/or poles, is considered to receive a higher level of benefit. A panoramic view is defined as a view that is over 90°. Panoramic views make a parcel even more desirable; therefore, parcels that will have this type of enhanced panoramic view are considered to receive additional special benefit from the undergrounding project. Therefore, these properties are assigned an additional SVP for a total of two (2) VBPs per parcel for Improved Scenic View. This relates to Asmt Nos. 1 – 6, 9, 10, and 14 – 16.

**D. Improved Connection Benefit.** This benefit relates to having all new wires, transformers and equipment and having that equipment underground, which reduces the threat of interrupted service resulting from downed utility poles and wires. When compared to overhead systems, fewer outages occur due to various acts of nature, traffic collisions and obstructions (such as trees). Also, the new underground utility system design allows the utility companies to evaluate current and projected demand in a district and to design the new system to increase and stabilize the supply capacity if necessary. This is considered a lesser benefit than Access and Scenic View Enhancement; therefore, it is weighted less than those types of benefits. Therefore, properties are assigned one-half (0.5) Connection Benefit Points (CBP) for Improved Connection.

- Parcels that are not connected to the system being undergrounded are assessed 0 CBP. This relates to Asmt Nos. 28 and 33.

As stated above, the following is the benefit formula:

$$\left[ \begin{array}{cccc} \text{Access} & & \text{Additional} & & \text{Scenic} & & \text{Connection} \\ \text{Benefit} & + & \text{Overhead} & + & \text{View} & + & \text{Benefit} \\ \text{Points} & & \text{Wires Benefit} & & \text{Benefit} & & \text{Points} \\ & & \text{Points} & & \text{Points} & & \end{array} \right] = \begin{array}{c} \text{Total} \\ \text{Benefit} \\ \text{Points} \end{array}$$

The maximum points possible for a parcel in each category are shown below:

$$\left[ \begin{array}{cccccc} 1.5 & + & 0.5 & + & 2.0 & + & 0.5 \end{array} \right] = 4.5$$

### Exceptions

1. Assessor's parcel numbers (APNs) 015-161-004 and 005 are non-buildable, vacant parcels and as such are not considered to receive any benefits from the utility undergrounding project.
2. APN 015-040-014, 1840 Barker Pass Road, takes its main access off of Barker Pass Road and will be connected to the Barker Pass Road utility system once the Eucalyptus Hill Road system is undergrounded. Therefore, this property does not receive any benefits from the utility undergrounding project.
3. APN 015-040-059, 186 Coronado Circle, takes its access off of Coronado Circle and is connected to the Coronado Circle utility system. Therefore, this property does not receive any benefits from the utility undergrounding project. *[Note: The formal agreement with this property owner needs to occur prior to the start of the formal establishment proceedings.]*

### ASSESSMENT APPORTIONMENT

Based on the findings above, it is our conclusion that the improvements specially benefit all developable properties in the Assessment District in proportion to the number of Benefit Points calculated for each property.


The individual assessment calculations are provided in the Appendix. For particulars to the Assessment Roll, reference is made to Table 1 in Part III of this report.

In conclusion, it is my opinion that the assessments for the referenced Assessment District have been spread in direct accordance with the special benefits that each parcel receives from the works of improvement.

DATED: July 1, 2010

HARRIS & ASSOCIATES



  
\_\_\_\_\_  
JOAN E COX, P.E.  
R.C.E. No. 41965  
ASSESSMENT ENGINEER  
CITY OF SANTA BARBARA  
COUNTY OF SANTA BARBARA,  
STATE OF CALIFORNIA



I, \_\_\_\_\_, as CITY CLERK of the CITY OF SANTA BARBARA, CALIFORNIA do hereby certify that the foregoing Assessment, together with the Diagram attached thereto, was filed in my office on the \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
CITY CLERK  
CITY OF SANTA BARBARA  
STATE OF CALIFORNIA

I, \_\_\_\_\_, as CITY CLERK of the CITY OF SANTA BARBARA, CALIFORNIA do hereby certify that the foregoing Assessment, together with the Diagram attached thereto, was preliminarily approved by the City Council of the CITY OF SANTA BARBARA, CALIFORNIA, on the \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
CITY CLERK  
CITY OF SANTA BARBARA  
STATE OF CALIFORNIA

I, \_\_\_\_\_, as CITY CLERK of the CITY OF SANTA BARBARA, CALIFORNIA do hereby certify that the foregoing Assessment, together with the Diagram attached thereto, was approved and confirmed by the City Council of said City on the \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
CITY CLERK  
CITY OF SANTA BARBARA  
STATE OF CALIFORNIA

I, \_\_\_\_\_, as CITY ENGINEER of the CITY OF SANTA BARBARA, CALIFORNIA do hereby certify that the foregoing Assessment, together with the Diagram attached thereto, was recorded in my office on the \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
CITY ENGINEER  
CITY OF SANTA BARBARA  
STATE OF CALIFORNIA

## Part IV Annual Administrative Assessment

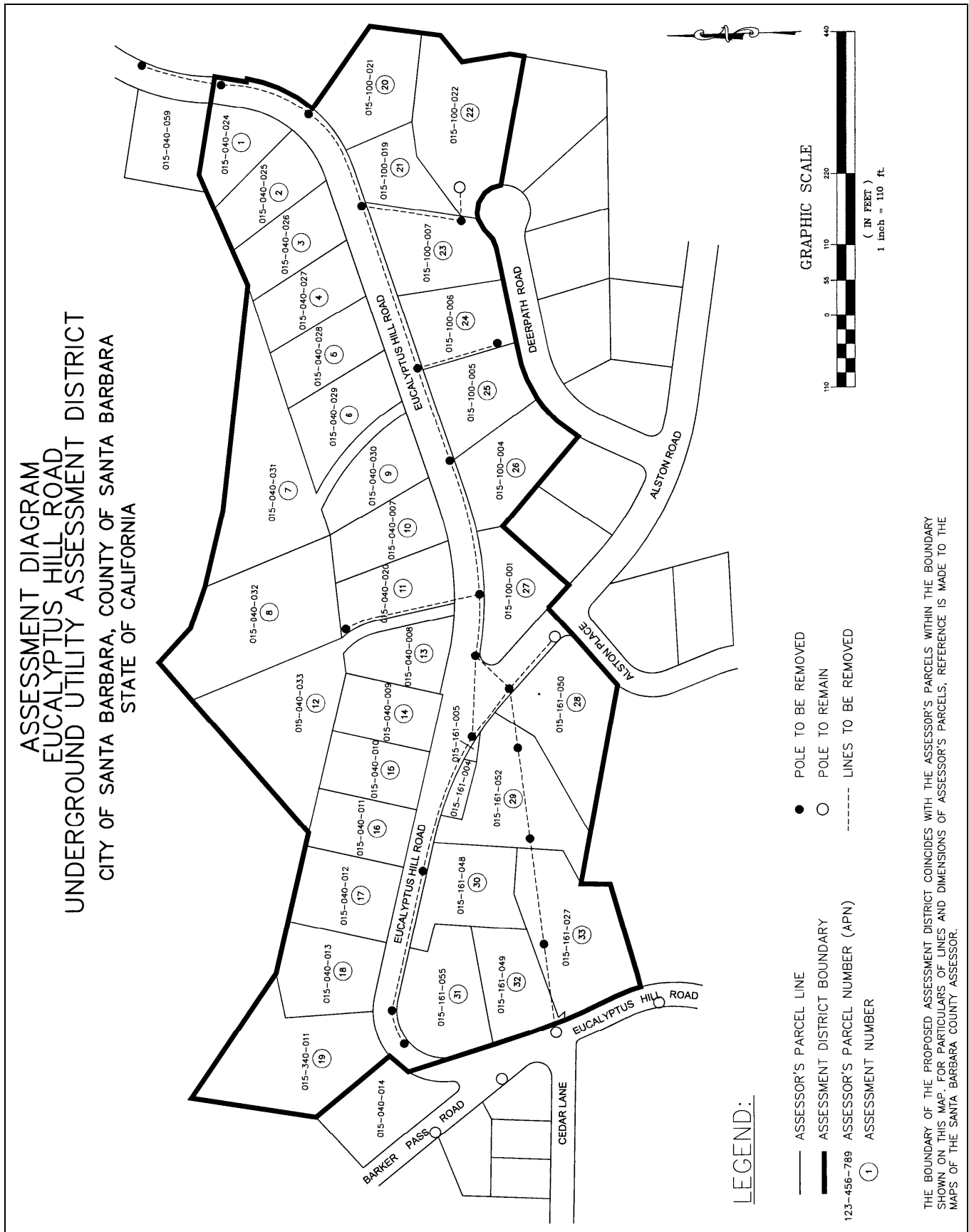
A proposed maximum annual administrative assessment shall be levied on each parcel of land and subdivision of land within the Assessment District to pay for necessary costs and expenses incurred by the CITY OF SANTA BARBARA, and not otherwise reimbursed, resulting from the administration and collection of assessments, from the administration or registration of any bonds and reserve or other related funds, or both. The maximum assessment is authorized pursuant to the provisions of Section 10204(f) of the Streets and Highways Code and shall not exceed fifty dollars (\$50) per parcel per year, subject to an annual increase based on the Consumer Price Index (CPI), during the preceding year ending in January, for all Urban Consumers in the Los Angeles, Riverside, and Orange County areas. The exact amount of the administration charge will be established each year by the City Engineer. The County Tax Collector may add a charge of \$0.50 to \$1.00 per parcel per year during the repayment period, if the City elects to have the County Assessor's Office collect the assessments.

The annual administrative assessment will be collected in the same manner and in the same installments as the assessment levied to pay for the cost of the works of improvement.

## Part V Diagram of Assessment

A reduced copy of the Assessment Diagram is attached hereto. Full-sized copies of the Boundary Map and Assessment Diagram are on file in the Office of the City Clerk, of the City of Santa Barbara.

As required by the Act, the Assessment Diagram shows the exterior boundaries of the Assessment District and the assessment number assigned to each parcel of land corresponding to its number as it appears in the Assessment Roll contained in Part III Table 1. The Assessor's Parcel Number is also shown for each parcel as they existed at the time of the passage of the Resolution of Intention and reference is hereby made to the Assessor's Parcel Maps of the County of Santa Barbara for the boundaries and dimensions of each parcel of land.



## Part VI Description of Facilities

Section 10100 of the Act provides for the legislative body of any municipality to finance certain capital facilities and services within or along its streets or any public way or easement. The following is a list of proposed improvements as allowed under the Act to be installed, or improved under the provisions of the Act, including the acquisition of required right-of-way and/or property. For the general location of the improvements to be constructed referenced is hereby made to the Plans and Specifications described in Part I of this report.

The following improvements are proposed to be constructed and installed in the general location referred to as Eucalyptus Hill Road Underground Utility Assessment District.

1. Construction of mainline underground power, telephone and cable conduit, with appurtenant manholes and pullboxes.
2. Construction of service conduit and appurtenances.
3. Removal of overhead resident service drops.
4. Removal of existing utility poles.
5. Repaving over the trenches.
6. Streetlight replacement and modernization.

The improvements have been designed by the Southern California Edison Company, Verizon and Cox Communication. The City of Santa Barbara will inspect the work to ensure conformance to City standards and specifications where applicable.

Once completed, the underground facilities will become the property and responsibility of Southern California Edison Company, Verizon, and Cox Communication.

Each owner of property located within the Assessment District will be responsible for arranging for and paying for work on his or her property necessary to connect facilities constructed by the public utilities in the public streets to the points of connection on the private property. Conversion of individual service connections on private property is not included in the work done by the Assessment District.

The estimated time for completion of the undergrounding of the utilities is 36 months after the sale of bonds. Property owners will be required to provide necessary underground connections within 120 days of the completion of the underground facilities.

Failure to convert individual service connections on private property may result in a recommendation to the City Council that the public utilities be directed to discontinue service to that property. Overhead facilities cannot be removed until all overhead service has been discontinued.

## Right-of-Way Certificate

**STATE OF CALIFORNIA  
COUNTY OF SANTA BARBARA  
CITY OF SANTA BARBARA**

The undersigned hereby CERTIFIES UNDER PENALTY OF PERJURY that the following is all true and correct.

That at all time herein mentioned, the undersigned was, and now is, the authorized representative of the duly appointed CITY ENGINEER of the CITY OF SANTA BARBARA, CALIFORNIA.

That there have now been instituted proceedings under the provisions of Article XIID of the California Constitution, and the "Municipal Improvements Act of 1913," being Division 12 of the Streets and Highways Code of the State of California, for the construction of certain public improvements in a special assessment district known and designated as EUCALYPTUS HILL ROAD UNDERGROUND UTILITY ASSESSMENT DISTRICT (hereinafter referred to as the "Assessment District").

**THE UNDERSIGNED STATES AND CERTIFIES AS FOLLOWS:**

It is acknowledged that the proposed Works of Improvement must be located within public rights-of-way, land, or easements owned by or licensed to the CITY OF SANTA BARBARA, County of Santa Barbara, State of California, at the time of the construction of the Works of Improvement, and the undersigned hereby further certifies that all rights-of-way necessary for the Works of Improvements will be obtained and in possession of the City, County, or State prior to construction by the CITY OF SANTA BARBARA.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 2010, at CITY OF SANTA BARBARA, California.

CITY ENGINEER  
CITY OF SANTA BARBARA  
State of California

By: \_\_\_\_\_

## Certificate of Completion of Environmental Proceedings

**STATE OF CALIFORNIA  
COUNTY OF SANTA BARBARA  
CITY OF SANTA BARBARA**

The undersigned, under penalty of perjury, CERTIFIES as follows:

1. That I am the person who authorized to prepare and process all environmental documentation as needed as it relates to the formation of the special Assessment District being formed pursuant to the provisions of the "Municipal Improvement Act of 1913" being Division 12 of the Streets and Highways Code of the State of California, said special Assessment District known and designated as EUCALYPTUS HILL ROAD UNDERGROUND UTILITY ASSESSMENT DISTRICT (hereinafter referred to as the "Assessment District").
2. The specific environmental proceedings relating to this Assessment District that have been completed are as follows:

CEQA compliance review:

The proposed project is Categorically Exempt (Class 2) from the provisions of CEQA (replacement or reconstructions).

3. I do hereby certify that all environmental evaluation proceedings necessary for the formation of the Assessment District have been completed to my satisfaction, and that no further environmental proceedings are necessary.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 2010, at CITY OF SANTA BARBARA, California.

By: \_\_\_\_\_

CITY OF SANTA BARBARA  
STATE OF CALIFORNIA

			Property Access		Add'l Wires		Scenic View		Connection		Total		100%				
			Benefit Points	+	Benefit Points	+	Benefit Points	+	Benefit Points	=	Benefit Points		payoff amt prior to bond sale				
Property Address			Asmt No.		Parcel Number							Total Assessment					
1981 EUCALYPTUS HILL RD			1		15 040 024		1	+	0	+	2	+	0.5	=	3.5	\$66,302.82	\$56,025.88
1965 EUCALYPTUS HILL RD			2		15 040 025		1	+	0	+	2	+	0.5	=	3.5	\$66,302.82	\$56,025.88
1957 EUCALYPTUS HILL RD			3		15 040 026		1	+	0	+	2	+	0.5	=	3.5	\$66,302.82	\$56,025.88
1947 EUCALYPTUS HILL RD			4		15 040 027		1	+	0	+	2	+	0.5	=	3.5	\$66,302.82	\$56,025.88
1941 EUCALYPTUS HILL RD			5		15 040 028		1	+	0	+	2	+	0.5	=	3.5	\$66,302.82	\$56,025.88
1933 EUCALYPTUS HILL RD			6		15 040 029		1	+	0.5	+	2	+	0.5	=	4.0	\$75,774.66	\$64,029.59
1931 EUCALYPTUS HILL RD			7		15 040 031		1	+	0	+	0	+	0.5	=	1.5	\$28,415.49	\$24,011.09
1929 EUCALYPTUS HILL RD			8		15 040 032		1	+	0	+	0	+	0.5	=	1.5	\$28,415.49	\$24,011.09
1925 EUCALYPTUS HILL RD			9		15 040 030		1	+	0.5	+	2	+	0.5	=	4.0	\$75,774.66	\$64,029.58
1901 EUCALYPTUS HILL RD			10		15 040 007		1	+	0	+	2	+	0.5	=	3.5	\$66,302.82	\$56,025.88
1895 EUCALYPTUS HILL RD			11		15 040 020		1	+	0.5	+	1	+	0.5	=	3.0	\$56,830.99	\$48,022.19
1893 EUCALYPTUS HILL RD			12		15 040 033		1.5	+	0	+	0	+	0.5	=	2.0	\$37,887.32	\$32,014.78
1889 EUCALYPTUS HILL RD			13		15 040 008		1	+	0	+	1	+	0.5	=	2.5	\$47,359.15	\$40,018.48
1885 EUCALYPTUS HILL RD			14		15 040 009		1	+	0	+	2	+	0.5	=	3.5	\$66,302.82	\$56,025.88
1875 EUCALYPTUS HILL RD			15		15 040 010		1	+	0	+	2	+	0.5	=	3.5	\$66,302.82	\$56,025.88
1865 EUCALYPTUS HILL RD			16		15 040 011		1	+	0	+	2	+	0.5	=	3.5	\$66,302.82	\$56,025.88
1859 EUCALYPTUS HILL RD			17		15 040 012		1	+	0	+	1	+	0.5	=	2.5	\$47,359.15	\$40,018.48
1849 EUCALYPTUS HILL RD			18		15 040 013		1	+	0	+	0	+	0.5	=	1.5	\$28,415.49	\$24,011.09
1845 EUCALYPTUS HILL RD			19		15 340 011		1	+	0	+	0	+	0.5	=	1.5	\$28,415.49	\$24,011.09
1950 EUCALYPTUS HILL RD			20		15 100 021		1	+	0	+	0	+	0.5	=	1.5	\$28,415.49	\$24,011.09
1944 EUCALYPTUS HILL RD			21		15 100 019		1	+	0.5	+	0	+	0.5	=	2.0	\$37,887.32	\$32,014.78
871 DEERPATH RD			22		15 100 022		0	+	0.5	+	0	+	0.5	=	1.0	\$18,943.66	\$16,007.39
861 DEERPATH RD			23		15 100 007		0	+	0.5	+	0	+	0.5	=	1.0	\$18,943.66	\$16,007.39
847 DEERPATH RD			24		15 100 006		0	+	0.5	+	0	+	0.5	=	1.0	\$18,943.66	\$16,007.39
835 DEERPATH RD			25		15 100 005		0	+	0.5	+	0	+	0.5	=	1.0	\$18,943.66	\$16,007.39
821 DEERPATH RD			26		15 100 004		0	+	0	+	0	+	0.5	=	0.5	\$9,471.83	\$8,003.70
207 ALSTON RD			27		15 100 001		1	+	0	+	0	+	0.5	=	1.5	\$28,415.49	\$24,011.09
100 ALSTON RD			28		15 161 050		0	+	0.5	+	0	+	0	=	0.5	\$9,471.83	\$8,003.70
1860 EUCALYPTUS HILL RD			29		15 161 052		1	+	0.5	+	0	+	0.5	=	2.0	\$37,887.32	\$32,014.78
1850 EUCALYPTUS HILL RD			30		15 161 048		1	+	0	+	0	+	0.5	=	1.5	\$28,415.49	\$24,011.09
1840 EUCALYPTUS HILL RD			31		15 161 055		0	+	0	+	0	+	0.5	=	0.5	\$9,471.83	\$8,003.70
1830 EUCALYPTUS HILL RD			32		15 161 049		0	+	0.5	+	0	+	0.5	=	1.0	\$18,943.66	\$16,007.39
1808 EUCALYPTUS HILL RD			33		15 161 027		0	+	0.5	+	0	+	0.0	=	0.5	\$9,471.83	\$8,003.70
												71.0	\$1,345,000.00	\$1,136,524.96			

Maximum points per category:	1.5	0.5	2	0.5	4.5
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